

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-61-03



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**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**A Report by Pacific Northern Gas Ltd.
on its Gas Cost Variance Account Rate Rider**

BEFORE: R.H. Hobbs, Chair)
L.A. Boychuk, Commissioner) September 18, 2003
L.F. Kelsey, Commissioner)

O R D E R

WHEREAS:

- A. On September 12, 2003, Pacific Northern Gas Ltd. ("PNG-West") filed its Third Quarter 2003 Report on Gas Supply Costs and Gas Cost Variance Account Rate Riders, pursuant to the Guidelines contained in Commission Letter No. L-5-01; and
- B. The Report projects a credit balance in the Gas Cost Variance Account ("GCVA") Rider of \$3,108,447 at September 30, 2003 for PNG-West which is projected to increase to \$5,670,087 by September 30, 2004 if customer rates remain unchanged; and
- C. PNG-West advised the Commission that it is projecting a significant revenue deficiency in 2004 and would prefer that the credit balance in the GCVA be applied to offset a potential increase in its 2004 revenue deficiency commencing January 1, 2004; and
- D. The Commission has reviewed the Report and finds that the revenue-to-cost ratio for natural gas prices in PNG-West requires an adjustment in customer rates effective October 1, 2003, pursuant to the Guidelines established by Letter No. L-5-01.

NOW THEREFORE the Commission orders as follows:

- 1. PNG-West is ordered to file amended Gas Tariff Rate Schedules that will permit a recovery by customers of \$0.50 per GJ in the GCVA Rate Rider effective with consumption on and after October 1, 2003.

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2. PNG is required to advise all customers of the rate reduction and credit rider by way of a bill notice to be reviewed by Commission staff in advance of its distribution.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of September 2003.

BY ORDER

Original signed by:

Robert H. Hobbs
Chair